

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF TENNESSEE**

In re

Case No. 01-32268

CEDAR LANE LAND &
DEVELOPMENT COMPANY

Debtor

MEMORANDUM ON APPLICATION FOR COMPENSATION

APPEARANCES: WALKER & WALKER, P.C.
John A. Walker, Jr., Esq.
Catherine P. Kligerman, Esq.
Post Office Box 2774
Knoxville, Tennessee 37901
Former Attorneys for Debtor

Ragip Sinan Mungan
12709 Sauer Point
Knoxville, Tennessee 37922
Objecting Party, *Pro Se*

ELLEN B. VERGOS, ESQ.
UNITED STATES TRUSTEE
Patricia C. Foster, Esq.
Suite 114, Howard H. Baker, Jr. United States Courthouse
800 Market Street
Knoxville, Tennessee 37902
Attorneys for the United States Trustee

RICHARD STAIR, JR.
UNITED STATES BANKRUPTCY JUDGE

Before the court is the Application of Walker & Walker, P.C. for Allowance of Compensation to Attorneys for Debtor and Debtor-in-Possession (Application) filed by the Debtor's former attorneys, Walker & Walker, P.C. (Walker & Walker), on October 30, 2001.¹ By its Application, Walker & Walker requests compensation of \$9,367.50, including a \$2,200.00 retainer paid by the Debtor prior to the commencement of its case under Chapter 11 on May 4, 2001.² The Application is supported by an itemized statement detailing Walker & Walker's services by date and time.³

On December 10, 2001, Ragip Sinan Mungan, identifying himself as 'Designee' for the Debtor," filed an Objection to Application of Walker & Walker, P.C. for Allowance of Compensation to Attorneys for Debtor and Debtor-in-Possession (Objection). Mr. Mungan is not represented by counsel. On February 27, 2002, Walker & Walker filed its Response of Walker & Walker, P.C. to Objection to Fee Application.

¹ Walker & Walker's employment was authorized pursuant to a May 17, 2001 Order Authorizing Retention of Counsel. Pursuant to an Order Allowing Withdrawal of Counsel entered on December 5, 2001, Walker & Walker, and attorneys, John A. Walker, Jr. and Catherine P. Kligerman, were allowed to withdraw as the Debtor's counsel effective November 8, 2001.

² The Debtor's Chapter 11 case was converted to Chapter 7 on August 28, 2001.

³ Based upon the hourly rates of its attorneys, the itemized statement reflects that Walker & Walker's actual time warranted a fee request of \$9,907.50. However, as \$9,367.50 is the amount requested in the Application and in the Notice of Hearing served by Walker & Walker on all parties in interest on October 30, 2001, \$9,367.50 is the amount the court will consider.

This is a core proceeding. 28 U.S.C.A. § 157(b)(2)(A) (West 1993).

Because Mr. Mungan has no apparent financial interest in this bankruptcy case, the court questions his standing to prosecute the present Objection.⁴ Nonetheless, the court has reviewed the Application of Walker & Walker and finds that the services rendered the Debtor were reasonable and necessary. See 11 U.S.C.A. § 330(a) (West Supp. 2001). The services are well documented and relate to the Debtor's Chapter 11 case.

Additionally, the compensation disclosure statement filed May 18, 2001, by Walker & Walker pursuant to 11 U.S.C.A. § 329(a) (West 1993) and Rule 2016(b) of the Federal Rules of Bankruptcy Procedure evidences that the Debtor agreed to pay compensation in the amount of \$10,000.00 for legal services rendered or to be rendered in connection with the Debtor's bankruptcy case. Although Walker & Walker no longer represents the Debtor, the compensation it requests was clearly earned and is certainly within the amount agreed upon with the Debtor.

⁴ Although Mr. Mungan signed the Debtor's Voluntary Petition filed May 4, 2001, and the Statement of Financial Affairs and Schedules filed May 18, 2001, as "Manager," he is not identified as a creditor, shareholder or officer of the Debtor corporation. Furthermore, Mr. Mungan, a debtor in his own Chapter 7 case, No. 01-31472, does not schedule any interest in the Debtor corporation in his Statement of Financial Affairs and Schedules. It is apparent, however, from a review of the itemized statement accompanying Walker & Walker's fee request that Mr. Mungan provided information essential for the preparation and filing of the Debtor's bankruptcy petition. Mr. Mungan's characterization of himself in his Objection as "Designee" and in the Debtor's petition as "Manager" sheds no light on his relationship, if any, to the Debtor.

For the above reasons, Ragip Sinan Mungan's Objection will be overruled and Walker & Walker's Application will be granted. An appropriate order will be entered.

FILED: March 13, 2002

BY THE COURT

RICHARD STAIR, JR.
UNITED STATES BANKRUPTCY JUDGE

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ORDER

For the reasons stated in the Memorandum on Application for Compensation filed this date, the court directs the following:

1. The Objection to Application of Walker & Walker, P.C. for Allowance of Compensation to Attorneys for Debtor and Debtor-in-Possession filed by Ragip Sinan Mungan on December 10, 2001, is OVERRULED.

2. The Application of Walker & Walker, P.C. for Allowance of Compensation to Attorneys for Debtor and Debtor-in-Possession filed by Walker & Walker, P.C. on October 30, 2001, is GRANTED.

3. Walker & Walker, P.C. is allowed compensation for services rendered the Debtor through October 14, 2001, in the amount of \$9,367.50, of which \$2,200.00 was advanced prior to the commencement of the Debtor's Chapter 11 case. The balance of \$7,167.50 is allowed as an administrative expense pursuant to 11 U.S.C.A. § 503(b)(2) (West 1993).

SO ORDERED.

ENTER: March 13, 2002

BY THE COURT

RICHARD STAIR, JR.
UNITED STATES BANKRUPTCY JUDGE